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*The Cost of Homelessness*  
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**Homelessness – Causes and Effects**  
**The Costs of Homelessness in British Columbia**  
**(A Cost Effectiveness Study)**  
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[http://www.urbancentre.utoronto.ca/pdfs/researchassociates/4\\_vol\\_report/Vol3.pdf](http://www.urbancentre.utoronto.ca/pdfs/researchassociates/4_vol_report/Vol3.pdf)

1. **Please describe the goal of the project/program found in the article/report?**  
“The costs of dealing with the consequences of homelessness, such as increased health needs, must be weighed against the cost of investing in longer-term housing solutions.” Recently published literature shows that there is a strong relationship between chronically homeless people and the health care, social service, and criminal justice systems. The goals and specific objectives of this research are:
  - To present a cost analysis of homelessness in terms of the British Colombia health care, social services, and criminal justice systems.
  - To analyze whether the provision of adequate and affordable housing is a preventative cost to the government.
2. **What were the key points?**  
It is clear that people lacking safe, secure, and affordable housing have greater health concerns than the general population and experience social problems that may be exacerbated by their lack of shelter. This tends to result in much greater use of services by the homeless, particularly hospital emergency services, emergency shelters, and correctional facilities, in terms of frequency and length of use. For example, in a one-year period, the cost of service use for those without shelter was 33 percent higher than for housed individuals.
3. **Is this a proposal or an existing project/program? If the project/program was completed, what were the outcomes? If it is a proposal, what are the expected outcomes?**  
The findings of this exploratory research suggest that decent, adequate, and supportive housing not only ends homelessness, but also it may reduce the use of costly government services and ultimately save money. In this study, the homeless individuals tended to use more costly emergency services than the housed individuals, and the prevention approach, which provides permanent supportive housing and needed health care, proved to be more cost-effective and saved the government money.

**4. Who was involved and how did they meet the project goals?**

This report was prepared by a team of consultants and researchers from various planning, research, and consulting departments in British Columbia as well as faculty from the Centre for Urban and Community Studies at the University of Toronto. Experienced caseworkers familiar with the Downtown Eastside in Vancouver were chosen to conduct interviews with individuals.

**5. How was it funded? How much did it cost?**

This study was sponsored by the British Columbia Ministry of Social Development and Economic Security, and the BC Housing Management Commission. No information on the cost of the study is provided.

**6. Any pertinent statistics found?**

- Service and shelter costs of the homeless people in this study ranged from \$30,000 to \$40,000 on average per person for one year.
- The combined costs of services and housing for the housed individuals ranged from \$22,000 to \$28,000 per person per year.
- Homeless individuals in this study cost 33 percent more than the housed individuals (\$24,000 compared to \$18,000).
- Homeless individuals had annual service related costs ranging from about \$4000 to \$80,000. The range of costs for housed individuals was not as wide: from \$12,000 to \$27,000.

**7. Any unique approaches to ending homelessness identified?**

This study employs the use of case histories and service use records for two subsets of people – homeless people, and housed, formerly homeless, people. The two main approaches explored were the use of a linked administrative database, and a case history approach combined with the administrative data.

The case history approach provided a rich data source on the experience of a few individuals over a fairly extended period, and it enabled researchers to document a wide use of services through personal interviews with clients and from client records with major service providers. This qualitative first step aids in estimating the range of costs to the government arising from the service needs of homeless people.

Cost estimates for the specific health care, criminal justice, and social services were developed in a number of ways. For example, some service providers offered a specific cost per service, some offered an estimate of the per diem or per service cost, and the consultants also developed cost estimates based on published research from the Vancouver police or the Vancouver Community Mental Health Services.

The particular services selected for measuring and cost estimation were selected based on an extensive literature review and interview with individuals who participated in this study.

9. **Potential goals to include in the matrix? Possibly contribute specific objectives or action steps for goal #6 on the Data Analysis Outcomes Matrix: Arrange Data to Highlight Cost Savings Related to the Service Delivery...**

- a) Begin with a review of existing published literature on the relationship between homelessness and the health care, criminal justice, and social services that may aide in identifying possible approaches and guide on methodological issues.
- b) Consult service providers and caseworkers familiar with the homeless population and housed, formerly homeless population in order to identify a cross sectional sample of homeless and formerly homeless individuals that may be eligible for the interview process.
- c) Prepare an interview guide and identify experienced local caseworkers that are trusted by local homeless individuals so that informed consent by the participants is achieved in order to access personal information.
- d) Select services for measuring and cost information based on the literature review and interviews with case individuals.
- e) Make requests to local government service providers for administrative records detailing the use of the health, criminal justice, and social services by homeless and housed sample. These services may include: hospital admissions, hospital emergency dept. use, physician billing, prescription drugs, mental health services, ambulance services, fire emergency response and health clinics, child protection, drug and alcohol support, and correctional institutions and police services.
- f) Develop a strategy for estimating the cost of specific health care, criminal justice, and social services. Consultants may estimate costs by quantifying specific costs per service, per diem or per service costs, treatment costs per client, or service cost data based upon published research.
- g) Once costs for services has been established, develop a methodology aimed at estimating housing and support facility expenditures
- h) Identify a continuum of housing and support facility resources that provide differing degrees of accommodation and levels of service, and develop cost estimates of the different options within the continuum.
- i) Cost estimates may be derived from the range of housing providers representing each of the housing and support options available. Per Diem costs will include costs associated with the physical property as well as those for support services within the facilities.
- j) Once costs for services and costs for housing and support have been established, develop an approach to compare the two.